

M e m o r a n d u m

To: Panel Members Date: August 27, 2004

From: Dolores Kendrick, Manager Analyst: M. Paccereilli

Subject: ONE-STEP AGREEMENT FOR **A-W ENGINEERING CO., INC. <100**

CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce Moving To A High Performance Workplace
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Contractor's Full-Time Employees
 - *Worldwide:* 35
 - *In California:* 35
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

CONTRACT:

- Program Costs: \$40,000
- Substantial Contribution: \$0
- Total ETP Funding: \$40,000
- Total In-kind Contribution: \$21,000
 - *Trainee Wages Paid During Training:* \$21,000
 - *Other Contributions:* \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles

INTRODUCTION:

A-W Engineering Co., Inc. (A-W Engineering) is a metal stamping and metal fabricating manufacturing facility. The Company qualifies for standard ETP funding as a manufacturing company facing out-of-state competition, under Title 22, California Code of Regulations, Section 4416(b). The Company proposes to retrain its workforce in the skills necessary for the Company to transition to a high performance workplace.

MEETING ETP GOALS AND OBJECTIVES:

A-W Engineering proposes training that will further the following ETP goals and objectives:

- 1) ETP training funds are requested to specifically assist employee retraining in a manufacturing company. The funding will be consistent with ETP's legislative mandate and funding priority of promoting California's manufacturing workforce.
- 2) Training is targeted to meet the needs for a skilled workforce in the metal stamping and metal fabricating industry where companies face strong competition from out of state. Thus, this project meets ETP's legislative mandate to foster job retention in industries threatened by out-of-state competition.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Retrainee Small Business <100 Job Number 1	MENU: Manufacturing Skills Computer Skills	25	24-80	2-12	\$480 - \$1,696	*\$12.17- \$45.62
					<u>Prevalent Hourly Wage</u> \$14.00	
					<u>Average Cost Per Trainee</u> \$1,600	
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health Benefits of at least \$.98 per hour will be applied to the base wage in order to meet the ETP minimum hourly wage of \$12.17 in Los Angeles County.					<u>Turnover Rate</u> .03%	<u>% Of Mgrs & Supervisors To Be Trained:</u> 20%
<u>Other Employee Benefits:</u> Sick Leave, Vacation, Holiday Leave, Annual Company Bonus, Participative IRA						

COMMENTS / ISSUES:

➤ ***Frontline Workers***

Of the 25 participants in this proposal, 20 meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee). The remaining five are managers and supervisors who constitute 20 percent of the total training population. Training for these managers supports the training of the frontline workers in that these managers and supervisors are viewed as the experts and mentors in all operation processes and are ultimately responsible for the quality of the end products produced by their subordinates.

➤ ***Production During Training***

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ ***Apprenticeship***

There are no existing apprenticeship programs for press operators or other occupations to be trained in this proposal as verified with the Department of Apprenticeship Standards (DAS).

PROPOSED ACTION:

Staff recommends that the Panel approve this Agreement if funding is available and the project meets the Panel priorities. This recommendation is based on A-W Engineering's stated need to transition to a high performance workplace to remain competitive, grow, and to satisfy demands for quality products and services in a competitive marketplace.

NARRATIVE:

Founded in 1965, A-W Engineering is a job shop metal stamping and metal fabricating manufacturing facility servicing industries such as automotive, fitness, appliance, RV, medical, security, and furniture.

Currently, offshore competition has significantly eroded the demand for commodity metal stampings. Within California, the industry has been hit hard with plant closings. Offshore competition in conjunction with stiff price pressure from surrounding states that have more moderate business cost climates have left California metal stampers vying for the remaining metal stamping business.

Consequently, the Company must improve both productivity and effectiveness to remain competitive. Its ultimate goal is to become a high performance workplace. To meet this goal, the Company is requesting ETP funding to train 25 frontline workers in manufacturing skills and computer skills. The proposed training program is essential to the development of its employees with the Company's commitment toward accelerating quality, process improvement, technical knowledge and overall productivity. Training in these new skills and technology will give the Company the ability to reach higher levels of performance, which is necessary to remain competitive in the marketplace and continue to provide jobs in California. With the implementation of this proposed training program, the Company expects a significantly better trained workforce able to address the needs of a changing market using the tools learned in the proposed training.

NARRATIVE: (continued)

Manufacturing Skills

This is a comprehensive training program using the Precision Metalforming Association (PMA) educational curriculum designed to specifically teach metal stamping press operation, die setting, and brake press operation. Production staff will be trained in technical manufacturing skills which will help them become more efficient in producing quality products.

Computer Skills

Support staff who will receive training in Microsoft Office software. Improved knowledge in computer skills will lead to improved customer service, communication, and process improvement within the Company.

Supplemental Nature of Training

State law requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs.

The Company's current training structure affords only modest training efforts. Current Company training is limited to new hire and state-mandated safety training. For specific job skills, a trainee typically gets the bare minimum of on-the-job training and is left alone to develop his/her skills, which can only yield varying and unpredictable results. This training proposal will afford the Company the financial resources to establish a formal structured training program that will yield predictable results necessary to accomplish its goals of becoming a high performance workplace.

Once the ETP program has concluded, A-W Engineering is committed to continuing employee training and development activities for all employees. The Company will concentrate on courses that will keep the Company competitive in the metal stamping and metal fabricating industry and provide secure employment for its workforce.

SUBCONTRACTORS:

None.

THIRD PARTY SERVICES:

None.

A-W ENGINEERING CO., INC.
Menu Curriculum

Class/Lab	CBT	Trainees will receive any of the following:
<u>Hours</u>	<u>Hours</u>	
24-92	2-12	

MANUFACTURING SKILLS

- Introduction to the Stamping Press
- Die Components and their Function
- Uncoiler, Straighter & Feed Components And Their Function
- Proper Dress and Safety Devices
- Basic Operator Controls and Lockout/Tagout
- Operation of the Manually Fed Press
- Operation of the Coil Fed Press
- Basic Operation Performed on the Die
- Coil Handling and Adverse Coil & Material Conditions
- Operating Existing Setups and the Importance Of The Slack Loop
- Uncoiling and Straightening Procedures
- Loading Coils Into Existing Setups
- Indicators of Incorrect Operation
- Dimensional Measuring & Gauging Piece Part / Statistical Process Control (SPC)
- Attribute Gaging of Piece Parts
- Setup Controls
- Removing the Die Assembly & Die Clamp Selection
- Installing the Die
- Trial Stamping the First Piece Part – Manually Fed Press
- Air-Operated Bridge Grip Feeds
- Air-Operated Open Throat Grip Feed
- Mechanical Roll Feeds
- Trial Stamping 1st Parts On Coil Fed Press
- Introduction to the Press Brake
- Press Brake Safety
- Start up, production & shut down procedures
- Improper press brake operation and product defect
- Measuring and inspection piece-parts
- Press Brake Tooling
- Press Brake Gaging
- Setup & tear down procedures

A-W ENGINEERING CO., INC.
Menu Curriculum (continued)

COMPUTER SKILLS

- Microsoft Access
- Microsoft Excel
- Microsoft Outlook
- Microsoft PowerPoint
- Microsoft Project
- Microsoft Publisher
- Microsoft Visio
- Microsoft Word